Introduced by Senator Berryhill (Coauthor: Senator Emmerson)

February 22, 2013

An act to amend Section 12306.1 of add Section 4751 to the Welfare and Institutions Code, relating to public social developmental services.

LEGISLATIVE COUNSEL'S DIGEST

SB 579, as amended, Berryhill. In-home supportive services. Developmental services: Oversight Efficiency and Quality Enhancement Model.

The Lanterman Developmental Disabilities Services Act authorizes the State Department of Developmental Services to contract with regional centers to provide services and supports to individuals with developmental disabilities. The services and supports to be provided to a regional center consumer are contained in an individual program plan, developed in accordance with prescribed requirements.

This bill would, commencing January 1, 2014, and to the extent that funds are made available, establish a $4 \, ^{1}$ year Oversight Efficiency and Quality Enhancement Model pilot project in specified regional center catchment areas to implement a unified oversight and quality enhancement process, as specified, shifting the oversight of the service providers from the Community Care Licensing Division of the State Department of Social Services and the Licensing and Certification Division of the State Department of Public Health to the department and the pilot regional centers.

This bill would require the Legislative Analyst's Office to conduct a study identifying all of the financial and human resources expended in SB 579 -2-

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relation to current quality assurance activities for the licensed programs identified in the pilot project and to determine the amount of current quality assurance costs that are covered by federal dollars and what could be federally funded if the system and waiver were changed. The bill, by October 1, 2016, would also require the department to contract with an independent agency or organization to evaluate the pilot project and prepare a written report of its findings.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization. Existing law requires, except as provided, a county to use county-only funds to fund both the county share and the state share when any increase in IHSS provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium, as specified.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 4751 is added to the Welfare and 2 Institutions Code, to read:
- 3 4751. (a) The Legislature finds and declares all of the 4 following:
 - (1) Evaluation of the services that people with developmental disabilities receive from both service providers and regional centers is a critical component of the service system.
 - (2) The current system of having three state entities, the State Department of Developmental Services with the regional centers, the Community Care Licensing Division of the State Department of Social Services, and the Licensing and Certification Division of the State Department of Public Health, all charged with monitoring and maintaining quality services and supports for people with developmental disabilities, is duplicative and wasteful of limited state dollars and resources and fails to obtain optimal results.
- 17 (3) The efficiency and efficacy of the oversight and quality 18 review processes can be significantly enhanced by unifying the

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current duplicative quality review system, thus conserving limited state fiscal resources and reducing the wasteful use of state staff and service providers' time while simultaneously improving the lives of people with developmental disabilities in California.

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- (b) Notwithstanding any other law, commencing January 1, 2014, a four-and one-half year Oversight Efficiency and Quality Enhancement Model pilot project shall be established to shift the authority and resources to the State Department of Developmental Services, in conjunction with the pilot regional centers, to implement a unified oversight and quality enhancement process. This process shall ensure the welfare, community participation, health, and safety of all those with developmental disabilities who are served in programs currently licensed by the Community Care Licensing Division of the State Department of Social Services and the Licensing and Certification Division of the State Department of Public Health. The project shall also enhance accountability and quality review processes for the services directly provided by regional centers. At the conclusion of the pilot project, it is the intent of the Legislature that if, based upon the analysis and recommendations of an independent evaluation, as well as experience in each of the pilot regional centers, the pilot project has sufficiently met the goals and standards of the Oversignt Efficiency and Quality Enhancement Model set forth in subdivision (f), the creation of an Oversight Efficiency and Quality Enhancement Model shall be extended statewide.
- (c) The pilot project shall be conducted in the catchment areas of the Golden Gate Regional Center, the Tri-Counties Regional Center, and the San Diego Regional Center. On or before February 1, 2014, the State Department of Developmental Services may select two additional regional centers to participate in the pilot project on a voluntary basis. Additional regional centers shall be selected according to criteria developed by the department in consultation with the Association of Regional Center Agencies. In selecting additional pilot regional centers, the department shall promote diversity among participating regional centers in terms of size and geographical location. An agreement shall be negotiated between each pilot regional center and the department regarding the scope of activities, project milestones, and resources available to each pilot regional center.

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(d) By February 1, 2014, each pilot regional center shall establish a local Quality Enhancement Advisory Committee, including consumers, family members, service providers, and advocates, to provide input and feedback in the design, implementation, and evaluation of the Oversight Efficiency and Quality Enhancement Model. The local advisory committee shall review pilot project data, including, but not limited to, baselines and outcomes of quality reviews of providers' services and the individuals served by these providers and baselines and outcomes of the quality reviews of the services the regional center directly provides.

- (e) From January 1, 2014, to April 1, 2014, inclusive, the department, working with representatives from the pilot regional centers, shall, consistent with the parameters set forth in this section, develop the structure for transfer of responsibilities from the Community Care Licensing Division of the State Department of Social Services and the Licensing and Certification Division of the State Department of Public Health, including the systems and procedures for certification and decertification, quality reviews, oversight, and complaint investigation of all programs currently licensed by those agencies that serve people with developmental disabilities in the pilot regional center catchment areas. The Community Care Licensing Division of the State Department of Social Services and the Licensing and Certification Division of the State Department of Public Health shall provide staff to consult with the State Department of Developmental Services and regional centers during this process.
- (f) The Oversight Efficiency and Quality Enhancement Model shall focus on the impact of services on consumers' lives, support the continuous investigation and enhancement of the quality and impact of services, and be informed by reliable data on service effectiveness and consumer outcomes. The model shall do all of the following:
- (1) Be lean, simple, efficient, and understood by the people it serves.
- (2) Avoid unnecessary redundancies of process, permissions, oversight, and enforcement.
- (3) Base reviews on quality standards that, in accordance with Lanterman Developmental Disabilities Services Act principles, address individual outcomes, including, but not limited to, health,

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safety, independence, choice, empowerment, inclusion, and participation in community life.

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- (4) Recognize that service outcomes and effectiveness, the impact of services on consumers' lives, and satisfaction data will be key to ensuring quality.
- (5) Shift the focus of quality efforts to a service enhancement model that encourages and recognizes service provider and regional center improvements.
- (6) Include multiple options for proactive consumer protections, including screening for qualified providers, an emphasis on an evolving improvement system of coaching and mentoring service providers toward quality, and an immediate response capacity to address people in imminent danger.
- (7) Report aggregate service and individual outcomes to highlight excellence, innovation, and satisfaction in the services provided and in the lives of individuals with developmental disabilities.
- (8) Enhance transparency, accountability, quality standards, and measurement processes for the services directly provided by regional centers.
- (9) Provide consumers, families, service providers, and regional center staff the opportunity to participate in system evaluation.
- (10) Ensure that the results of oversight, quality enhancement, and assurance review activities are available to people with developmental disabilities and their families in plain language so they can be informed consumers of the services that they receive.
- (g) On or before July 1, 2014, the department and pilot regional centers, in consultation with stakeholder organizations, shall do all of the following:
- (1) Establish model certification requirements that shall be applied in certifying new service providers and service provider performance standards that shall be used in conducting ongoing quality reviews and enhancement activities. Certification requirements and performance standards shall be consistent and shall include standards for health, safety, and welfare, as well as quality of life outcomes, including, but not limited to, community inclusion and participation, choice, friendship, and empowerment. The principles set forth in subdivision (f), current regulatory and statutory requirements, as well as nationally accepted quality of life standards shall be considered in developing the model

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certification requirements and performance standards. The model performance standards shall replace current standards from Titles 17 and 22 of the California Code of Regulations for the specific services subject to the pilot project in the pilot regional center areas. The model certification requirements and performance standards shall support the development, maintenance, and continuous improvement of innovative, cost-effective services.

- (2) Establish pilot regional center performance standards for use during the pilot project, including, but not limited to, quality expectations for customer service, resource development, conducting quality assurance of service providers, accounting, and intake, outreach, and service coordination, including individual program plan development and implementation. The regional center performance standards shall work in concert with the service provider performance standards and be aligned with the values of the Lanterman Developmental Disabilities Services Act and the principles set forth in subdivision (f). The standards shall address how the regional center's services have resulted in consumer or family empowerment and in more independent, productive, and normal lives for the persons served.
- (3) Develop a uniform data collection system that provides reliable, valid, and actionable data from multiple stakeholder perspectives and is consistently deployed at each pilot regional center. The data system shall include information on service provider and pilot regional center performance, as well as the quality-of-life outcomes and individual program plan goals of the individuals served in the project. The data system shall be flexible, have the capacity to allow field-based data entry and analysis, and to document, measure, and analyze the implementation of the model. To the extent possible, data currently being collected by regional centers or the department shall be utilized in the data system.
- (4) Consider the experience and outcomes from the Agnews Developmental Center, Bay Area Quality Management System and from current quality reviews of unlicensed Lanterman Developmental Disabilities Services Act support models, including family home agencies and supported living, in developing the structure, standards, and data collection methodologies for the model.

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(h) From January 1, 2014, to June 30, 2014, inclusive, pilot regional centers shall collect baseline data on existing service quality and quality assurance processes in programs and services for people with developmental disabilities that have been covered by licensing requirements through the Community Care Licensing Division of the State Department of Social Services or the Licensing and Certification Division of the State Department of Public Health. Baseline data shall meet all of the following requirements:

- (1) Be collected by an independent third party surveying a statistically significant sample of regional center employees, service provider staff, and individuals and families providing or receiving those services.
 - (2) Address all of the following:

- (A) The satisfaction of regional center employees, service provider staff, individuals, and families with the current quality assurance system.
- (B) The impact of services on consumers' lives, including, but not limited to, the areas of health, safety, community participation, friendship, empowerment, and choice.
- (C) The effectiveness and efficiency of existing quality assurance processes, including training and related service provider support, as well as the quality and efficacy of regional center-service provider relationships.
- (3) Be made available to the pilot project's independent evaluator for comparison with pilot project data as described in subdivision (k).
- (i) The Legislative Analyst's Office shall conduct a study identifying all of the financial and human resources expended by the Community Care Licensing Division of the State Department of Social Services, the Licensing and Certification Division of the State Department of Public Health, the State Department of Developmental Services, regional centers, and service providers in relation to current quality assurance activities for the licensed programs identified in the pilot project. The study shall also determine the amount of current quality assurance costs that are covered by federal funds, primarily through the home-and community-based service waiver program, and what could be federally funded if the system and waiver were changed. Based on this study, the Legislative Analyst's Office shall make recommendations on amounts of, and the best possible means for,

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reallocation of funding to augment current quality review and monitoring staff at the State Department of Developmental Services and regional centers and provide the resources necessary to implement the Oversight Efficiency and Quality Enhancement Model.

- (j) Full implementation of the pilot project and transfer of responsibilities will begin on July 1, 2014. Commencing on that date and for the remainder of the pilot project period, quality review and oversight functions in the pilot regional center areas shall be accomplished as follows:
- (1) The State Department of Developmental Services shall certify, rather than license, new programs and services for people with developmental disabilities that would previously have been subject to licensing requirements through the Community Care Licensing Division of the State Department of Social Services or the Licensing and Certification Division of the State Department of Public Health. A service provider seeking to start a new program or service shall first be selected by the regional center through a request for proposal process and then obtain certification. The certification process shall include submission of a program design that reflects the model standards and certification requirements developed pursuant to paragraph (1) of subdivision (g). The potential service provider shall complete an initial application for certification with the local pilot regional center. The application shall then be submitted to the department for issuance of a certificate.
- (2) The State Department of Developmental Services shall deem certified all programs in the pilot regional center areas that are licensed prior to July 1, 2014, either by the Community Care Licensing Division of the State Department of Social Services or the Licensing and Certification Division of the State Department of Public Health and these programs shall no longer be monitored by those licensing agencies. All of these programs shall be deemed certified by the State Department of Developmental Services without the certification process requirements developed pursuant to paragraph (1) of subdivision (g), and shall be subject to quality monitoring and decertification processes as if they had been issued a certificate.
- (3) All certified programs shall have an annual quality review conducted by pilot regional center staff. Additionally, a

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comprehensive quality enhancement and performance evaluation shall be scheduled, as needed, depending on the findings of the annual quality reviews. Quality reviews and monitoring visits shall be effective and efficient and be based upon the performance standards developed pursuant to paragraph (1) of subdivision (g).

- (4) Training is central to the Oversight Efficiency and Quality Enhancement Model, and all certified service providers shall submit a training plan to all pilot regional centers for which they provide services. The training program shall be subject to the approval of the pilot regional center. Training shall emphasize continuous improvement and be proactive and responsive to the findings of quality reviews. Service providers shall be utilized as training resources for their own programs as well as to assist other providers and self-assessment tools shall be developed.
- (5) Complaints regarding service provider performance shall be addressed by the State Department of Developmental Services and pilot regional centers, as determined during the development of the structure of the pilot project pursuant to subdivision (e). The pilot regional center shall initiate investigations of serious complaints within 24 hours of receipt, or sooner if imminent danger is alleged. A "serious complaint" is one which, upon investigation, has identified a condition of "immediate danger," as defined in paragraph (18) of subdivision (a) of Section 56002 of Title 17 of the California Code of Regulations. In cases of immediate danger to a consumer, the pilot regional center shall plan for relocation of the consumer. The complainant, if known, shall be advised of the outcome of the investigation and of any corrective actions required of the service provider.
- (6) The department and pilot regional centers shall have the right and responsibility to decertify a provider based upon a substantiated serious complaint; a serious, life threatening, preventable occurrence at the program; or a documented, established pattern of substandard performance that continues after notice and opportunity for corrective action.
- (7) The department and pilot regional centers shall conduct a transparent annual quality service review for the continuous investigation and improvement of the quality of the services a pilot regional center directly provides, based on the regional center performance standards developed pursuant to paragraph (2) of subdivision (g). The department shall monitor pilot regional center

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service quality and outcomes, hold pilot regional centers accountable for their performance, and use a service enhancement approach to encourage and recognize regional center improvements. Regional center annual quality service reviews shall include, but not be limited to, all of the following:

- (A) The existing performance contract with department pursuant to Section 4629.
- (B) An annual survey by an independent third party of a statistically significant sample of consumers and families that addresses both service provider and pilot regional center services and includes, but is not limited to, improvements in consumer life outcomes, the delivery and outcomes of services specified in the individual program plan, and consumer satisfaction with service coordination, including individual program plan development and implementation and satisfaction with the consumer's service provider. Each pilot regional center shall select an independent third-party entity, with advice from others outside the regional center, to complete the annual survey described in this subparagraph.
- (C) An annual survey by an independent third party of a statistically significant sample of service providers that addresses their satisfaction with the pilot regional center's customer service to the provider and support of the provider's service quality performance. Data shall include, but not be limited to, provider evaluation of regional center quality assurance, training, and resource development processes, including the effectiveness, efficiency, and timeliness of those functions. The independent third-party entity selected to complete the annual survey described in this subparagraph will be the same entity as the one selected to complete the annual survey described in subparagraph (B).
- (D) Additional components, as determined by the pilot regional centers and the department.
- (8) The Community Care Licensing Division of the State Department of Social Services and the Licensing and Certification Division of the State Department of Public Health shall continue to be responsible for criminal background checks, as required by law, for service provider staff.
- (9) The State Department of Developmental Services and the pilot regional centers shall implement, test, and verify the

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Oversight Efficiency and Quality Enhancement Model data collection system described in paragraph (3) of subdivision (g).

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- (10) The department and pilot regional centers shall share with local advisory committees and statewide stakeholder organizations the aggregate service provider quality review information and analysis and regional center annual quality service reviews, including the information described in paragraph (7). Pilot regional centers shall make available for review by consumers, families, advocates, and other interested persons the annual quality reviews and quality enhancement and performance evaluation reviews of service providers described in paragraph (3). These reviews shall not contain personally identifiable consumer information.
- (k) (1) On or before October 1, 2016, the State Department of Developmental Services shall contract with an independent agency or organization to evaluate the pilot project and prepare a written report of its findings. The scope of services for the contractor shall be prepared by the department, in consultation with the State Department of Social Services, the State Department of Public Health, the Association of Regional Center Agencies, and stakeholder organizations, including representatives of service provider organizations. The evaluation shall, at a minimum, address all of the following:
- (A) A description of the structure and process of implementation of the Oversight Efficiency and Quality Enhancement Model.
- (B) The number and characteristics of the service providers and programs subject to the pilot project, and the number of consumers served under the pilot project.
- (C) The overall impact of the model on consumers, including, but not limited to, the extent to which consumers' quality of life outcomes improve, especially in the areas of health, safety, community inclusion and participation, friendship, empowerment, choice, and satisfaction.
- (D) The overall impact of the model on service providers, including, but not limited to, changes in the quality of services provided, their ability to support people with developmental disabilities, the cost of quality assurance-related activities, including use of all resources, and the effectiveness and efficiency of the model on their internal operations, business model, and relationships with the regional centers.

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(E) The overall impact of the model on pilot regional centers, including, but not limited to, changes in the quality of services directly provided by pilot regional centers, effectiveness and efficiency of pilot regional centers' quality oversight, and enhancement efforts with service providers, their ability to support people with developmental disabilities, the cost of quality assurance-related activities, and the effectiveness and efficiency of the model on their internal operations, business model, and relationships between the service providers, pilot regional centers, and the department.

- (F) The overall impact of the model on the State Department of Developmental Services, including, but not limited to, the department's role in monitoring pilot regional center service quality and outcomes, in holding pilot regional centers accountable for their performance, in ensuring that pilot regional centers are aligned with Lanterman Developmental Disabilities Services Act values, and in supporting evaluation enhancement of the quality of services directly provided by pilot regional centers. The department shall also consider the cost of quality assurance-related activities, and the effectiveness and efficiency of the model on the department's internal operations and relationships with pilot regional centers.
- (G) The overall impressions, including, but not limited to, pilot project strengths, weaknesses, and recommendations for improvement of the model by employees of the department, pilot regional center participants, service provider organizations and their staff, state licensing and monitoring personnel, and consumers and families, including, but not limited to, improvements and innovations demonstrated, problems encountered, regulatory, statutory, and programmatic barriers identified, and corrective responses employed.
- (H) The satisfaction with the model by department employees, pilot regional center participants, provider organizations and their staff, state licensing and monitoring personnel, consumers, and families.
- (I) Identification of the model's strongest performance standard areas, those most in need of improvement, and those with the greatest quality improvement for both service providers and pilot regional centers, as documented during the pilot project period.

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(J) Aggregate and comparison data regarding service provider certification attainment and losses of certification.

- (K) The types, amounts, qualifications, and sufficiency of staffing at the department and pilot regional centers to effectively implement the model.
- (L) The costs and cost-effectiveness of the model as compared with the multiagency, statewide quality systems involved in services to people with developmental disabilities, as measured and described by the Legislative Analyst's Office study of the current system, as described in subdivision (i).
- (M) An analysis and summary findings of all pilot project consumers' special incident reports and unusual occurrences reported during the evaluation period, in comparison to special incident reports under the current quality assurance systems.
- (N) Recommendations for statewide application and expansion of the Oversight Efficiency and Quality Enhancement Model.
- (2) The evaluation by the independent agency or organization shall include, at a minimum, the following approaches and methodologies in the investigation of the evaluation parameters pursuant to paragraph (1).
- (A) Interviews, surveys, focus groups, and other assessments of the pilot project participant groups, specifically, State Department of Developmental Services employees, state licensing and monitoring personnel, pilot regional center participants, service provider organizations and their staff, and consumers and families, by the independent evaluator or another independent third-party agency or organization.
- (B) Analysis of the Oversight Efficiency and Quality Enhancement Model data system information.
- (C) A comparison of consumers' quality of life outcomes under the model to baseline consumer outcome data collected at the start of the pilot pursuant to subdivision (h). This data shall be made available both as an aggregate of all pilot regional centers, as well as by individual pilot regional center.
- (D) A comparison, both historically and between regional centers, of data collected pursuant to Section 4571 regarding consumer and family satisfaction, provision of services, and individual consumer outcomes, between and among those served in the pilot project and those served using traditional quality assurance systems.

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(E) A review of selected service provider annual quality reviews and a comprehensive quality enhancement and performance evaluation review from each pilot regional center.

- (F) A review of the pilot regional centers' annual quality service reviews and a comparison of that data to the baseline data collected pursuant to subdivision (h). This data shall be made available both as an aggregate of all pilot regional centers, as well as by individual pilot regional center.
- (G) A comparison of the impact of the model on regional center accountability and quality of services compared to the impact of the current performance contract processes under Section 4629 at both pilot and nonpilot regional centers.
- (3) The written report by the independent agency or organization shall be submitted to the State Department of Developmental Services. The department shall circulate the report to the Community Care Licensing Division of the State Department of Social Services, the Licensing and Certification Division of the State Department of Public Health, and the Association of Regional Center Agencies. The department shall also submit the report to the appropriate fiscal and policy committees of the Legislature by July 1, 2017, and make it readily available to the public.
- (1) The department may administer the pilot project through the issuance of written directives that shall have the same force and effect as regulations. Any directive affecting Article 1 (commencing with Section 700) of Chapter 7 of Title 11 of the California Code of Regulations shall be approved by the Department of Justice. The directives shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
- (m) The department may adopt emergency regulations to implement this section. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the State Department of Developmental Services is hereby exempted from the requirement that it describe specific facts showing the need for immediate action. A certificate of compliance for these implementing regulations shall be filed within 24 months following

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the adoption of the first emergency regulations filed pursuant to this section.

- (n) The department may waive regulations that pose a barrier to implementation and operation of this pilot project. The waiver of regulations by the department pursuant to this section shall apply to only those counties participating in the pilot project and only for the duration of the pilot project.
- (o) All aggregate and system-level reports generated pursuant to this section shall be made publicly available, but shall not contain the personal identifying information of any consumer or other individual.
- (p) This section shall only be implemented to the extent that funds are made available through an appropriation in the annual Budget Act.

All matter omitted in this version of the bill appears in the bill as introduced in the Senate, February 22, 2013. (JR11)

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